



Independent observer
of the Global Fund

Report on the Global Fund's Response to Fraud Is Released

Report describes “six layers of assurance”

A report from the Global Fund provides information on the misuse of grant funds and on actions being taken by the Fund to deal with the problem. The 20-page report, “Results with Integrity: The Global Fund’s Response to Fraud,” was made public just prior to the Global Fund Board meeting in Geneva in May 2011. Most of the information in this report had already been released in one form or another.

The report describes what it calls “the Global Fund’s long-established fraud-prevention policies.” It refers to these as “six layers of assurance.” The six layers are as follows:

1. principal recipients’ (PRs’) internal control mechanisms;
2. independent in-country verification and oversight mechanism (i.e., local fund agents);
3. annual external and independent audits of PRs and sub-recipients;
4. secretariat monitoring of grant implementation, including imposing additional safeguards where risks are deemed to be high;
5. work of the Office of the Inspector General (OIG), including audits and investigations; and
6. oversight provided by the Global Fund’s governance structures, particularly the Board and its committees.

In the report, the Global Fund describes a series of steps the Fund has recently taken to ensure that local fund agents (LFAs) take a more rigorous and systematic approach to risk management and fraud

prevention. In addition, the report describes a two-day orientation and risk management workshop that the Global Fund's country team for Nigeria held in Abuja for grant implementers and Global Fund partner organisations. The outcome of the meeting was the development of a risk management plan. This workshop will be replicated in other countries.

There is a section in the report that describes what the Global Fund is doing to address the problem of drug theft. This section includes a case study on actions taken in Malawi concerning drug theft in the country's central medical stores system. Another section of the report describes four areas of the Global Fund's reform agenda that are directly relevant to fraud prevention: enhancing the effectiveness of LFAs; strengthening the role of country coordinating mechanisms (CCMs) in grant oversight; improving quality assurance; and accelerating implementation of the country team approach at the Global Fund Secretariat.

The report describes additional measures aimed at reducing fraud, including: (1) devoting a portion of grant funds to assessing and strengthening fiduciary controls in countries; (2) setting up a SWAT team at the Secretariat to deal with misuse that has already been identified; and (3) implementing a Global Fund-wide training programme on fraud mitigation and detection. Finally, there is a section in the report on measures being taken to enhance data quality.

"Results with Integrity: The Global Fund's Response to Fraud" is available on the Global Fund website [here](#).

Report describes "six layers of assurance"

A report from the Global Fund provides information on the misuse of grant funds and on actions being taken by the Fund to deal with the problem. The 20-page report, "Results with Integrity: The Global Fund's Response to Fraud," was made public just prior to the Global Fund Board meeting in Geneva in May 2011. Most of the information in this report had already been released in one form or another.

The report describes what it calls "the Global Fund's long-established fraud-prevention policies." It refers to these as "six layers of assurance." The six layers are as follows:

1. principal recipients' (PRs') internal control mechanisms;
2. independent in-country verification and oversight mechanism (i.e., local fund agents);
3. annual external and independent audits of PRs and sub-recipients;
4. secretariat monitoring of grant implementation, including imposing additional safeguards where risks are deemed to be high;
5. work of the Office of the Inspector General (OIG), including audits and investigations; and
6. oversight provided by the Global Fund's governance structures, particularly the Board and its committees.

In the report, the Global Fund describes a series of steps the Fund has recently taken to ensure that local fund agents (LFAs) take a more rigorous and systematic approach to risk management and fraud prevention. In addition, the report describes a two-day orientation and risk management workshop that the Global Fund's country team for Nigeria held in Abuja for grant implementers and Global Fund partner organisations. The outcome of the meeting was the development of a risk management plan. This workshop will be replicated in other countries.

There is a section in the report that describes what the Global Fund is doing to address the problem of

drug theft. This section includes a case study on actions taken in Malawi concerning drug theft in the country's central medical stores system. Another section of the report describes four areas of the Global Fund's reform agenda that are directly relevant to fraud prevention: enhancing the effectiveness of LFAs; strengthening the role of country coordinating mechanisms (CCMs) in grant oversight; improving quality assurance; and accelerating implementation of the country team approach at the Global Fund Secretariat.

The report describes additional measures aimed at reducing fraud, including: (1) devoting a portion of grant funds to assessing and strengthening fiduciary controls in countries; (2) setting up a SWAT team at the Secretariat to deal with misuse that has already been identified; and (3) implementing a Global Fund-wide training programme on fraud mitigation and detection. Finally, there is a section in the report on measures being taken to enhance data quality.

"Results with Integrity: The Global Fund's Response to Fraud" is available on the Global Fund website [here](#).

[Read More](#)
